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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Establish a Framework and Processes for Assessing the Affordability of Utility Service.

Rulemaking 18-07-006

**ADMINISTRATIVE LAW JUDGE'S RULING ADDING
WORKSHOP PRESENTATIONS INTO THE RECORD AND
INVITING POST-WORKSHOP COMMENTS**

The Commission instituted this rulemaking on July 12, 2018 to develop a framework and processes to assess the impacts on affordability of individual Commission proceedings and utility rate requests.

Parties filed comments on the Order Instituting Rulemaking (OIR) on August 13, 2018. A prehearing conference was held on October 12, 2018. The Assigned Commissioner's Scoping Memo and Ruling was issued on November 19, 2018.

On January 22, 2019, a workshop was held in this proceeding to explore definitions and metrics for affordability. Commission Staff from various industry divisions made presentations on different approaches the Commission has previously taken to address and measure affordability. Experts on affordability issues also made presentations regarding defining and measuring affordability. Participants were invited to participate in one of the three smaller breakout discussion groups: (1) defining affordability and essential service, (2) identifying metrics and data sources to measure affordability and determine

essential service, and (3) usefulness/application of the affordability framework. The presentations made at the workshop are attached as Attachments A-I to this ruling and are added into the record of this proceeding.¹

This ruling seeks additional input from the parties on affordability definitions, metrics, and implementation of an affordability framework. Attachment J to this ruling contains background information and a summary of several proposals that have been presented in parties' comments on the OIR or at the workshop. Parties are invited to submit comments on these selected proposals and the questions presented in the appendix to Attachment J. Parties are also invited to submit alternative proposals on these topics for the Commission's consideration.

IT IS RULED that:

1. The following presentations from the workshop held on January 22, 2019 are added into the record of this proceeding:

- a. CPUC Energy Division, *California Alternate Rates for Energy (CARE) & Low Income Affordability Metrics* (January 22, 2019), attached hereto as Attachment A.
- b. Water Division, *Affordability Rulemaking, R.18-07-006 Workshop* (January 22, 2019), attached hereto as Attachment B.
- c. Wullenjohn, Robert, *2010 Study of Affordability of Basic Telephone Service: A Method of Determination and Challenge for Policy Makers* (January 22, 2019) attached hereto as Attachment C.

¹ These documents, as well as additional information regarding the workshop and this proceeding, are available at the Commission's Affordability Proceeding website: <http://www.cpuc.ca.gov/General.aspx?id=6442460277>.

- d. Kimberlin, Sara, *Basic Needs and Economic Insecurity in California: Definitions and Data* (January 22, 2019), attached hereto as Attachment D.
- e. Teodoro, Manuel P., *Measuring Household Affordability for Water and Sewer Utilities* (January 2018) American Water Works Association Journal, attached hereto as Attachment E.
- f. Teodoro, Manuel, *Affordability Meaning and Measurement* (January 2019), attached hereto as Attachment F.
- g. Colton, Roger, *Utility Bill Affordability: Definition, Data and Uses* (January 2019), attached hereto as Attachment G.
- h. Achilles, Todd B., *CPUC Affordability Workshop, OIR R.18-07-006* (January 22, 2019), attached hereto as Attachment H.
- i. Public Advocates Office, *Affordability: Mechanics of a Metric* (January 18, 2019), attached hereto as Attachment I.

2. Parties may file and serve post-workshop comments on the selected proposals and questions presented in Attachment J of this ruling within 30 days of the issuance of this ruling. Parties' comments may also include alternative proposals for the Commission's consideration. Reply comments may be filed and served within 7 days of the date for filing comments.

Dated April 12, 2019, at San Francisco, California.

/s/ SOPHIA J. PARK

Sophia J. Park
Administrative Law Judge